



# Overseas Development and Co-operation Act 1980

## 1980 CHAPTER 63

### PART II

#### INTERNATIONAL FINANCIAL INSTITUTIONS

##### *Miscellaneous*

#### **8 Guarantees of International Bank's loans to colonial territories**

- (1) The Treasury may, subject to the provisions of this section, guarantee in such manner and on such conditions as they think fit the repayment of the principal of and the payment of the interest on and other charges in respect of any loan made by the International Bank—
  - (a) to the Government of a colonial territory, or
  - (b) to any Government constituted for two or more colonial territories, or
  - (c) to any authority established for the purpose of providing or administering services which are common to, or relate to matters of common interest to, two or more territories of which at least one is a colonial territory.
- (2) The amount of the principal of the loans to be guaranteed under this section shall not in the aggregate exceed the equivalent of £150 million.
- (3) For the purposes of subsection (2) above, the sterling equivalent of the principal of any loan made in a currency other than sterling shall be calculated as at the time when the guarantee is given at such rate of exchange as the Treasury may determine to be the proper rate at that time.
- (4) No loan shall be guaranteed under this section unless the purpose of the loan is approved by the Secretary of State with the concurrence of the Treasury, as likely to promote the development of the resources of the territory or of all or any of the territories concerned.

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*Status: This is the original version (as it was originally enacted).*

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- (5) A guarantee shall not be given under this section until the Government or authority to which the loan is to be made has provided to the satisfaction of the Treasury and the Secretary of State—
- (a) for appropriating and duly applying the loan for the purpose approved under subsection (4) above ;
  - (b) for ensuring that any part of the loan which cannot be applied for that purpose will be applied only for such purposes as may be approved by the Secretary of State with the concurrence of the Treasury;
  - (c) for the establishment, subject to subsection (6) below, of one or more sinking funds for the purpose of repayment of the principal of the loan or any instalment of it, and for the regulation of any sinking fund so established ;
  - (d) for charging on the general revenues and assets of the territory concerned, or of all or any of the territories concerned, or on any other revenues or assets which may be made available for the purpose—
    - (i) the principal of and interest on, and other charges in respect of, the loan and the payments to be made to any sinking funds to be established under paragraph (c) above ; and
    - (ii) the repayment to the Treasury of any sum issued in pursuance of this section on account of the guarantee under this section, with interest on that sum at such rate as the Treasury may fix; and
  - (e) for raising, or securing the raising of, sufficient money to meet the above charges.
- (6) Subsection (5)(c) above does not apply in a case where the Treasury and the Secretary of State are satisfied that the arrangements for the repayment of the principal of the loan, and for the payment of interest on and other charges in respect of the loan, are such as not to require the establishment of a sinking fund.
- (7) Sums required by the Treasury for fulfilling any guarantees given under this section shall be charged on and issued out of the Consolidated Fund and any sums received by way of repayment of any sums so issued shall be paid into that Fund.
- (8) Immediately after any guarantee is given under this section, the Treasury shall lay a statement of the guarantee before each House of Parliament.
- (9) Where any sum is issued for fulfilling such a guarantee the Treasury shall, as soon as possible after the end of each financial year beginning with that in which the sum is issued and ending with that in which all liability in respect of the principal of the sum and in respect of interest on it is finally discharged, lay before each House of Parliament a statement relating to that sum.
- (10) In this section " colonial territory " means any territory which at the date of the making of the loan in question is, or is part of—
- (a) a colony; or
  - (b) an associated state ; or
  - (c) a British protectorate or protected state ; or
  - (d) a territory for the time being administered by the Government of the United Kingdom under the Trusteeship System of the United Nations.

## **9 Immunities and privileges of international financial institutions**

- (1) Without prejudice to the powers conferred by the International Organisations Act 1968 or any other Act, Her Majesty may by Order in Council make such provision as She may consider reasonably necessary for carrying into effect any of those of the provisions of the Agreement establishing an institution to which this section applies which relate to the status, immunities and privileges of the institution and of its governors, directors or executive directors, alternates, officers and employees.
- (2) The institutions to which this section applies are—
  - (a) the International Bank ;
  - (b) the International Finance Corporation; and
  - (c) the International Development Association.
- (3) Subject to subsection (4) below, Orders in Council made under this section may be so made as to extend to any of the Channel Islands, the Isle of Man, any colony and, to the extent that Her Majesty has jurisdiction there, to any country outside Her Majesty's dominions in which Her Majesty has jurisdiction in right of the Government of the United Kingdom.
- (4) If, whether before or after the coming into force of this Act, effect is given by or under the law of any part of Her Majesty's dominions or other territory to any provisions specified in subsection (1) above, no Order in Council made under this section and giving effect to those provisions shall extend to that part of Her Majesty's dominions or other territory as respects any period as respects which effect is given to them by or under that law.
- (5) No recommendation shall be made to Her Majesty in Council to make an Order under this section relating to the International Finance Corporation or the International Development Association unless a draft of the Order has been laid before Parliament and approved by resolution of each House of Parliament.
- (6) Without prejudice to sections 14 and 17(2) of the Interpretation Act 1978 (implied power to revoke, amend and re-enact subordinate legislation and savings for such legislation where enactments are repealed and re-enacted)—
  - (a) an Order in Council under the Bretton Woods Agreements Act 1945, so far as it applies to the International Bank;
  - (b) an Order in Council under the International Finance Corporation Act 1955 ; or
  - (c) an Order in Council under the International Development Association Act 1960;

shall have effect as if made under this section and may accordingly be amended or revoked by an Order in Council under this Section.